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WHAT FARMERS CAN DO TO FACILITATE THE TRANSPORTATION AND MARKETING OF PRODUCE

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The transfer of farm products from the farmer to the consumer gives rise to a large part of the business of the country. It has to do with everything that the land produces and the people eat. It concerns the great farms and ranges of the West and it concerns the little plot of the market gardener both East and West.

It is clear that the ideal transfer is that in which the producer sells what he produces directly to the consumer without the intervention between himself and the consumer of either a common carrier or a middleman. This ideal method of transfer is realized chiefly by those farmers who sell milk, vegetables, berries or fruit in nearby markets. Their carrier is their own team and they deal directly with the consumer.

This is the simplest form of the problem. It becomes more involved as the distance becomes too great for profitable use of the farmer's team and railways become the carriers. Here again the problem is comparatively simple with respect to some products. In the grain districts of the West the elevators furnish a place where the farmers, whose only marketable product is grain, may store it ready for sale when the market invites. Large producers of fruit or other products can afford to have storehouses and ship in carloads. In both of these cases there is an approach to ideal conditions in so far as transportation is concerned.

There are many other farmers who make a specialty of some product, they put it up in attractive packages and sell to special customers, who are glad to pay a premium for the extra quality and attractive form.

I have spoken of these, not because they are all who have reached practically ideal conditions, but because in their methods they point the way in which others may succeed.

Aside from these and all others for whom conditions of transportation and marketing are fairly good, are the great majority of

farmers, men who have a small product or several small products that they wish to sell. It is in their interest that the suggestions in this article are made.

There are clearly three distinct parties, at least, concerned in the transportation and marketing of farm products, the farmer, the railway and the consumer. There is a fourth in the system now in use, the middleman. He is commonly the object of suspicion and abuse but it is difficult to see how we are to dispose of him unless an agent of the farmer or the railway or the consumer takes his place. In that case we should substitute for the commission man who, necessarily, in his own interest, takes all he can for handling products, an agent whose interests would be that of his employer. It should be said in fairness that the frequent criticism of middlemen does not belong to all of them. It is the system which makes them necessary and the avarice or dishonesty of some of them that gives rise to the criticism of all of them.

The transportation and marketing of farm products at present are not satisfactory to farmer, railway or consumer. The farmer ships when the crop is gathered because he cannot store it, when he must sell to get money, or when roads are good so he can haul it. Selling in any of these ways he is at the mercy of the middlemen. The railways are dissatisfied because they are asked at certain times of the year for more cars than they have available and at other times have hundreds of idle cars. The consumer is dissatisfied because of the middleman and his profits and because of the high cost of living.

It is clear that, if some system could be devised and established by which the farmer could ship his produce as it is needed by the consumer week by week throughout the year and if this system could dispense with the middleman, the three parties, farmer, carrier and consumer would be much better pleased than now.

As to who shall take the initiative in establishing a new order of things there may well be a difference of opinion. Probably the farmer, the railway or the consumer might do it with a fair prospect of success, supported by the others; none can do it alone. In other words, farmer, carrier and consumer must contribute to its success if any plan is to succeed. I shall assume the initiative belongs to the farmer and shall suggest some ways in which he may help solve this problem.

1. The farmer should pay much more attention than now to the

grading and packing of what he has to sell. This statement applies to whatever he has to market but may be illustrated by his method of marketing eggs. He is careless as to time of selling them, holding them until some errand takes him to town. The result is they are no longer strictly fresh. He does not assort them and so sells small and large, white and brown in one lot, getting less for his output of eggs than he might easily obtain were they properly graded as to size and color. He is not careful to have his product credited to himself. Every farmer should grade his produce according to market demands and then be so sure of its quality that he is proud to attach his name and address. Take or ship such produce to market in attractive packages and both producer and consumer will be satisfied.

At this point the railway comes in as a friend to the farmer. The farmer does not know how to grade and pack and ship his eggs or his fruit, or his vegetables. The railway will run a car or a train, if necessary, to every station on its lines where there is a demand for such instruction and show farmers how to do all these things. A proper application of this knowledge would prove invaluable to farmers. Recently an agricultural paper asked some seventy egg dealers, who together handle over 900,000 cases of eggs annually, what an application of this knowledge would mean to them. The replies of sixty-three of them were to the effect that if farmers or communities of farmers would adopt these modern and up-to-date methods they could well afford to pay a premium above the market price on such shipments. And what is true of eggs is true of all other farm products.

2. A second step the farmer may well take toward the solution of the problem of transporting and marketing farm produce is the improvement of country roads. An extract from a statement from the office of public roads in the United States Department of Agriculture emphasizes the importance of this. "There are counties rich in agricultural possibilities, burdened with bad roads, where the annual incoming shipments of food exceed the outgoing shipments in the ratio of four to one," it says. "Many such counties, with improved roads, would not only become self-supporting, but would ship products to other markets."

This is not true of all counties but in every county it is true that many much used public roads are frequently impassable for heavy loads and oftentimes when the farmer needs most to do his heavy hauling he cannot. The roads which an ordinary farming commu-

nity can finance and build are not good enough. Such a community should have state aid and the so-called state road. To get these, the farmer must go to the state and here again the interest of farmer, railway and consumer is identical.

The farmer through his grange and through his representative should in every proper way try to direct the expenditure of state money appropriated for roads so that the roads built by the state or with state aid shall be market roads or farmers' roads rather than pleasure roads. It is now too apparent that the state roads are built where the influence of automobile associations locate them rather than where the interest of the farmers would place them. The farmers, the railroads and the consumers in the cities, if the movement for good roads is wisely managed, will stand together and see that state money spent on roads is spent where it will help all, is spent in building market roads rather than pleasure roads.

3. Assuming the farmer's produce is properly graded and packed and that the roads are so good he can deliver it at a railway station whenever it is needed and the weather and his leisure permit, there is a third step necessary to make the first two available to their full value. This is the erection at suitable intervals of storage warehouses along the nearest railway. In the erection of these the farmers of one or two townships or some of them would need to unite. In such coöperative enterprises it is always better to have a good many small stockholders rather than a few large ones. An effort should be made to interest financially as many as possible in the undertaking.

The warehouses should be large enough to store the potatoes, apples, cabbages, etc., of that district from the time they are harvested until a suitable market offers. It should not be necessary to provide for all the products usually sold but should be of a size to store all those commonly rushed to market because the producers have not room enough or money enough to keep them. There will be some farmers in the territory of each warehouse who have storage room of their own and capital enough to keep their products until they can be marketed profitably, but such farmers would probably ship through the warehouse and would find it valuable in other ways. Such a building would prove useful to all the farmers of the vicinity.

The warehouse should be so constructed as to protect articles from the cold. It should also have room for the storage of hay, grain and feed, and there should be a shed attached for the lime and

fertilizer. It should have a siding of its own, or room for its cars on some other siding. In immediate charge of the warehouse there should be some man whose whole time could be given to the receipt of products at the warehouse, their care and their shipment; or some man with other business who could attend to this as a side line. It is probable that the presence of an agent to receive and receipt for produce on one or two regular days each week might be sufficient at some warehouses while at others the entire time of a man might be required. The arrangement with him should be somewhat elastic, so that the extent of his service would be determined by the work to be done. This man would need to be more or less of an expert in grading and packing for shipment the farm produce in that vicinity.

One of the reasons why some farmers now rush their crops to any market that offers in the fall is that they need money and are forced to sell. To meet this need there should be an arrangement by which money could be borrowed on warehouse receipts for a part of their face value. Banks are glad to loan upon warehouse receipts for butter 75 per cent of its market value. While it is not to be expected that upon general farm products such as hay, grain, fruit and vegetables they would loan so large a per cent of market value, the trend of legislation and of business practice is to make it easier for the farmer to borrow with land or produce as security. It is reasonable to suppose that upon warehouse receipts for general produce 50 per cent of the current market value would be advanced by local banks. Most farmers would not need such loans and it should be the policy of the warehouse to discourage them and to bring its patrons to such a financial condition that advances would not be necessary.

Each warehouse should have its board of directors and one man from each of the local boards should belong to a general board in control of the entire system or in a general section or along a railroad. The general board of directors should employ a general manager whose duty it would be to standardize the grading of produce at the different warehouses, to market it, and in general to look after, with such assistance as might be necessary, all the warehouses of the system.

The advantages of such a system of storage warehouses are evident: 1. The farmer could store in them, when roads were good and he had the time, all the produce he wished to sell. 2. His produce, graded and packed, either by himself or by the warehouse agent to suit market demands, would bring higher prices. 3. His produce,

whatever the amount, would get the benefit of shipping and marketing in carload lots. 4. One of the chief duties of the general manager would be to study market conditions and sell the produce from the different warehouses so as to get the most for it. It goes without saying that such selling would give the farmer more for his produce than he gets by present methods. 5. These warehouses would give a place where farmers could store lime and other articles, purchased by them in carload lots. Under present conditions these frequently come when work is pressing or when the weather is bad. The car must be unloaded or demurrage paid and much inconvenience results. With a storehouse at hand the freight could be placed there and drawn home at leisure. 6. The farmer would be enabled to dispose of products he cannot use or sell with much profit now. The culls from apples could be turned into cider or vinegar and the culls from potatoes into alcohol. Not that this could be done at each warehouse, but at some of the warehouses plants could be installed to which such culls might be shipped and turned into valuable by-products.

These are all advantages that would accrue to the farmers and the shippers from such a system. But the railroads too would be benefited. Such warehouses would mean that farm products would be sent to the city week by week throughout the year, according to the demand of the customer and this would mean that the lack of cars which is now so annoying to shippers and railways in the fall of the year would no longer exist. Nearly all railways have enough cars to move the freight originating along their lines and also that coming to them from other railroads were it distributed as it should be throughout the year. It is a vicious system of shipping that demands a thousand cars in September or October or any other month and requires only a third of that number at other times.

I have spoken of some of the benefits to the farmer and the railroad resulting from such warehouses. The consumer would also be helped. Such warehouses built along a railway out in the country where land and labor are cheap are clearly the places where the food supply of the city, the products of the farm, should be stored rather than in the cities where such storage is expensive.

Everything shipped to the city before it is needed for consumption must be cared for at a greater expense than if left in the country until required. This additional and unnecessary expense is borne in part by the farmer, who gets too little for what he sells, and in part by the

consumer who pays too much for what he buys. It has been shown by those investigating the high cost of living in New York City that out of \$500,000,000 paid for food by the consumers, \$150,000,000 was for expenses and commissions after all charges up to and including the New York terminals were paid. Without doubt quite a large part of this immense sum was for storage of surplus products until needed.

In the plan I have suggested, the general manager would sell the produce stored at the regular warehouses. These sales would at first be to commission houses. Later, as he became familiar with the market, he would sell to retail grocers, hotels and clubs, and later still, if present social movements develop as seem likely, he would deal directly with agents buying for the housewives', consumers' leagues, etc. Thus gradually would the middleman disappear and the agent of the producer deal directly with the agent of the consumer.

The most difficult part of the plan I have outlined lies in the co-operation necessary among the farmers building a single warehouse and later among the directors of the several warehouses in managing the entire business. I do not for a moment suppose that such a system could or would spring up in a night or in a year, but I believe that some such system, with its plan of operation much like that I have suggested, is bound to come. It is feasible and much better than the methods or lack of methods now existing. Farmers are averse to coöperation, especially in the East where there is much less of it than in the West. There is needed here a campaign of education as to coöperative enterprises that are succeeding, relating especially to their place of organization and their method of doing business.

The agricultural departments of our railways could not do any better work for themselves, for the consumer and for the farmer, than to enter upon the education of the farmer in this matter of coöperation. There are thousands of successful coöperative enterprises in the United States, to say nothing of those, still more numerous, in other countries. Some of them, for example, the Eastern Shore of Virginia Produce Exchange, with headquarters at Olney, Accomac County, Va., are doing much the same work as would be done by a system of warehouses such as I have suggested. The railroad agricultural department has been working with the farmers for better crops; the next work for it logically to do is to show farmers how to market these crops in a better way.